

MEMORANDUM FOR COMMANDERS, MAJOR SUBORDINATE COMMANDS

SUBJECT: Guidance to Divisions for Headquarters Campaign Team 6 - Division and District Systems, Processes and Organizations

1. References:

- a. Chief of Engineers Vision
- b. Team 6 Action Plan, provided by e-mail to Division Commanders on 18 Apr 97.
- c. Engineer Regulation (ER) 10-1-2, Organization and Functions, U. S. Army Corps of Engineers Division and District Offices.

2. The purpose of this memorandum is to provide guidance to the test divisions (South Atlantic Division (SAD) and Southwestern Division (SWD)) and the non-test divisions, regarding new systems, processes, and organizations which may be tested in support of the Corps vision. This guidance will contain a discussion of the constraints under which the test divisions and non-test divisions will operate for system, process or organizational changes. The process in Appendix A will be used to identify and track new initiatives. The goal of any initiative is to seek improvement to customer service by improving product delivery systems and processes, and supporting organizational structures. Test divisions are not being provided with additional resources. I encourage non-test division commanders to discuss ideas for improvements with the test division commanders to identify initiatives that might be pursued. I encourage test division commanders to share the content of this guidance with their customers.

3. By electronic mail message dated 6 January 1997, MG Genetti restricted restructuring activity that was previously allowed under ER 10-1-2. In addition, the process of developing campaign plans to implement the Chief of Engineers Vision and Strategic Plan has required that we assure any restructuring guidance be fully integrated with our corporate goals. This guidance will allow the Corps to move forward in testing and implementing changes in organizational structure consistent with the goals of the Corps Plus strategy. Much effort has already gone into the development of principles and guidelines that formed the basis of ER 10-1-2, issued 1 May 96. The process leading to the issuance of this ER was well thought out and included input from all levels of the Corps as well as our customers. Utilizing SAD and SWD as test locations, Team 6 will monitor and analyze restructuring initiatives during the one year test period.

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a. The following delineates interim revisions to ER 10-1-2 that will guide test divisions and non-test divisions during the test period. Unless otherwise modified by this guidance, all other requirements of ER 10-1-2 remain in force.

(1) Test divisions:

a. Paragraph 6.b. - Requirement for minimum core competencies may be established by division commanders based on mission requirements and capability to establish alternative methods of support. If a function is proposed for regionalization (i.e., centralizing design mission in one district which serves entire division), responsibilities should be clearly defined.

b. Appendices A, B, C and E - Consolidations not prohibited by law or higher regulation may be implemented. Within the context of ER 10-1-2, consolidation is defined as the combination of different functional elements (i.e., combination of construction and operations).

(2) Non-test divisions - No regionalization or consolidation may be implemented without written approval. Requests for approval will be submitted to CERM-ZA using the format in ER 10-1-2, Appendix F, for consideration and approval by the Chief of Engineers.

b. Test divisions will pursue regionalization of various functions, or disciplines within those functions, in order to leverage resources at their districts and within their division. This concept may be tested using the virtual team concept. Appropriate performance measures should be developed to ensure that customer support is maintained or enhanced, that the cost of doing business remains static or decreases, and that core competencies and technical expertise are maintained. Interface between the customer and the servicing district should remain through the "one door to the Corps" and the changes resulting from regionalization should be transparent to the customer.

c. Test divisions are asked to examine ways to accomplish the four division missions identified in ER 10-1-2 (Command and Control, Regional Interface, Program Management and Quality Assurance) and look at division structure that will accomplish those missions at a reduced level of resources. Furthermore, test divisions are asked to consider areas where efficiencies can be gained through cross divisional coordination and resourcing.

4. Test divisions should review the Team 6 Action Plan for potential changes to processes or systems. Test divisions should make recommendations for changes in accordance with the guidance in Appendix A. SAD has already submitted the following early recommendations for change to processes:

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a. The recommendation to establish a Corps presence at selected Directorate of Public Works offices is approved with the following comments: The problem identification is too narrowly focused. Provided that appropriate funding is utilized, SAD is encouraged to use the ongoing USACE/AMC initiative as a means of testing this concept.

b. The recommendation to revolutionize disaster contracting is also approved, with the following comments: SAD has already been working with HQUSACE with respect to obtaining Federal Emergency Management Agency up front funding for this endeavor. In fact, all coastal divisions are expected to participate in the hurricane preparedness activities. While participating at the national level, SAD may also pursue this recommendation in its region. Furthermore, SAD should consult with the Principal Assistant Responsible for Contracting prior to contract execution, and ensure compliance with the "minimum guarantee" requirements, the undefinitized contractual actions (UCA) requirements, and the Federal Acquisition Regulation.

5. I look forward to your detailed test initiative submittal by 23 Aug 97. I anticipate that we will have a productive test period in which the best ideas for change are rapidly identified and provided to commanders for appropriate implementation.

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JOE N. BALLARD

Lieutenant General, USA

Commanding

APPENDIX A - Process of Test Division and Team 6 Activities

This section describes the process of Team 6 and test division activities. Team 6, chaired by the Director of Civil Works, with representatives from various Headquarters elements, will manage the process. Test divisions have already been asked for potential initiatives that they are ready to implement. Upon receipt of this guidance, the following procedures will apply.

a. No later than 23 Aug 97, test divisions will respond to CERM-ZA , with a plan that will include the following components:

(1) A listing of the proposed changes to processes, systems and structure the division plans to implement that are **within** the framework of this guidance.

(2) A listing of the proposed changes to processes, systems and structure that are **outside** the framework of this guidance.

(3) A Public Affairs plan, appropriate for internal or external use, for the proposed changes.

b. The format to describe each initiative should be as follows:

(1) Change to system, process and/or structure.

(2) Background. State current situation, problem, or condition that causes the need for change.

(3) Current approach. Describe the current organization, system or process, to include staffing and resource considerations. For organizational changes, include positions, titles and grades involved, and identify organizational relationships in a organization chart.

(4) New approach. Describe the new organization, system or process, to include staffing and resource requirements. For organizational changes, include positions, titles and grades involved, and identify organizational relationships in a proposed organization chart and provide brief functional statements.

(5) Expected outcome in terms of improvement of service to customer.

(6) Method of measuring success. Estimate the savings in cost, time, reduced input or increased output, or other quantifiable measure. Use customer survey results or comments from affected customers if appropriate. Use any of the measures contained in the Metrics section of the Team 6 Action Plan or appropriate local performance indicators. During the course of the test, the Commander's assessment will also play a role in judging whether the initiative is worthy of further implementation.

(7) An analysis of the short and long term implications, especially with respect to the impact of the initiative on technical expertise and the organizational "culture".

c. Test divisions should maintain dialogue with labor unions that have exclusive recognition for bargaining unit employees during the planning and implementation phases of the test period.

d. Test divisions should recognize that cultural changes are an integral part of any significant change to systems, processes and organizations. Test divisions are urged to consider the cultural implications of any such changes on their organization, on the other elements of the Corps, and on customers or other constituents. Identify and develop a means of dealing with those implications early in the change process and throughout. Team 6 will ensure that any tools or other means of assistance developed at the Headquarters or elsewhere are provided to the test divisions. Test divisions are encouraged to use the division historian as a resource in anticipating and recording the changes in culture that are likely to result from changes initiated during the test period.

e. In developing proposals for changes to systems, processes and organizations, divisions are reminded to fully consider the short and long term impact of changes on current employees. Throughout the process, proponents should consult with their Human Resources staff to identify potential implications and alternatives.

f. Specific activities that cannot be affected by the test division initiatives include Human Resources regionalization, CEFMS and PROMIS implementation.

g. Test divisions may submit initiatives to CERM-ZA during the test period. If the CG's approval is required before any initiative is implemented, Team 6 will staff the recommendation within 30 days.

h. For the plans submitted on 23 Aug 97, Team 6 will review and staff actions requiring CG approval by 23 Sep 97.

i. After 23 Sep 97, through the end of Sep 98, Team 6 will arrange In-Progress-Reviews with each of the test divisions, by conference call or VTC, whichever is most appropriate. The IPR will focus on the progress of the changes, and measurement of the success by the appropriate metric. If, after each IPR, improvements are deemed to be appropriate for implementation in other divisions, Team 6 will prepare recommendations for the CG's approval for further implementation.

j. The final IPR, to be held approximately the end of Sep 98, will signify the end of the test period. Team 6 will analyze the results of the test and will prepare a recommendation for CG approval by the end of Dec 98, on those new systems, processes and structures that should be considered for Corps wide implementation.

k. If test divisions wish to recommend an alternative approach for identifying and tracking initiatives, they may do so in the response to this guidance.